



City of Greenfield

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December 30, 2020

Todd Muck
Deputy Executive Director
Transportation Agency for
Monterey County 55-B Plaza
Circle
Salinas, Ca 93901

Re: Pavement Management Program Annual Report Letter for FY 2019-2020

The City of Greenfield confirms that it has a Pavement Management Program that conforms to the criteria established by the Transportation Agency for Monterey County and included in the Measure X Agreement with the Local Agency. An approved Pavement Management Program must be in place to be eligible for Measure X funds.

The City of Greenfield Annual Audit for fiscal year 2018-19 has been completed. The audit firm retained by the City review the report and provided an audit certification/statement.

The Pavement Management Program utilizes a software system developed by:
X Metropolitan Transportation Commission Street Saver, New 2018, updated by TAMC Contract consultant.

The system was updated by TAMC Consultant- NCE and contains, at a minimum, the following elements:

- Inventory of all existing pavements under the local agency jurisdiction:
 - Centerline miles: 35.19
 - Total lane miles (or equivalent units): 145.45
 - The last update of the inventory was completed on: 2019
 - Average Pavement Condition Index (PCI) 65

Identification of sections of roadways brought up to acceptable PCI levels for the current year:

- Street Maintenance - crews/equipment 10
(5 Mi)
- City Wide Traffic Sign Inventory and Mapping for Replacement
- Amount spent to rehabilitate or replace deficient sections for the current year: \$ 0
- You may direct any questions regarding the system to Arturo Felix, Public Works Manager at (831) 674-2635.

Sincerely,
CITY OF GREENFIELD

Paul Wood, City Manager

CITY OF GREENFIELD
TRANSPORTATION SAFETY AND INVESTMENT
PLAN ACCOUNT FUND
WITH INDEPENDENT AUDITORS' REPORT
JUNE 30, 2020

CITY OF GREENFIELD
TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND
TABLE OF CONTENTS
June 30, 2020

Independent Auditors' Report 1

Financial Statements:

Balance Sheet 3

Statement of Revenues, Expenditures, and
 Changes in Fund Balance..... 4

Notes to Financial Statements 5

Supplemental Information

Statement of Revenues, Expenditures, and
 Changes in Fund Balance – Budget and Actual 6

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance with TAMC
Ordinance No. 2016-01 – Transportation Safety and Investment Plan Fund and Other Matters Based on
an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 7



Moss, Levy & Hartzheim LLP

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

City Council
City of Greenfield
Greenfield, California

We have audited the accompanying financial statements of the City of Greenfield Transportation Safety and Investment Plan Account Fund, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Greenfield Transportation Safety and Investment Plan Account Fund, as of June 30, 2020, and the changes in its financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Transportation Safety and Investment Plan Account Fund and do not purport to, and do not, present fairly the financial position of the City of Greenfield, as of June 30, 2020, the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matter

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the Transportation Safety and Investment Plan Account Fund financial statements that collectively comprise the City of Greenfield Transportation Safety and Investment Plan Account Fund financial statements. The accompanying supplemental information – Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual on page 6 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental schedule is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the City’s Transportation Safety and Investment Plan Account Fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2020, on our consideration of the City of Greenfield Traffic Safety and Investment Plan Account Fund’s internal control over financial reporting and on our tests of its compliance with the requirements described in the TAMC’s Ordinance No. 2016-01 and in the Agreement between TAMC and the City and other matters for the fiscal year ended June 30, 2020. The purpose of that report is solely to report our opinion on compliance and to describe the scope of our testing of internal control over financial reporting and the results of that testing, and not to provide an opinion on the effectiveness of the City of Greenfield Traffic Safety and Investment Plan Account Fund’s internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Greenfield Traffic Safety and Investment Plan Account Fund’s compliance.

Moss, Reny & Hurlgrain, LLP

December 30, 2020
Santa Maria, California

CITY OF GREENFIELD
TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND
BALANCE SHEET
JUNE 30, 2020

ASSETS

Cash	\$	387,666
Accounts receivable		108,033
Interest receivable		<u>869</u>
Total assets	\$	<u><u>496,568</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Due to General Fund \$

Total Liabilities

Fund Balance:

Restricted 496,568

Total Fund Balance 496,568

Total Liabilities and Fund Balance \$ 496,568

The notes to basic financial statements are an integral part of this statement.

CITY OF GREENFIELD
TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
JUNE 30, 2020

REVENUES

Transportation Safety and Investment Plan Account revenue	\$	506,991
Use of money and property		<u>6,813</u>
Total revenues		<u>513,804</u>

EXPENDITURES

Administration		<u>17,236</u>
Total Expenditures		<u>17,236</u>
Excess (deficiency) of revenues over expenditures		496,568

Fund balance, beginning of fiscal year		<u> </u>
Fund balance, end of fiscal year	\$	<u><u>496,568</u></u>

The notes to basic financial statements are an integral part of this statement.

CITY OF GREENFIELD
TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Transportation Safety and Investment Plan Account Fund of the City of Greenfield is a governmental fund type. Governmental funds are accounted for using a current financial resources measurement focus. The application of this measurement focus provides that, in general, only current assets and current liabilities are present on the balance sheet. Operating statements of these funds present revenues and expenditures.

The modified accrual basis of accounting is used for the Transportation Safety and Investment Plan Account Fund. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual (i.e., both measurable and available). Measurable means that the amount of the transaction can be determined. Available means the funds are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures of governmental funds are generally recognized when the related fund liability is incurred.

Reporting Entity

The Transportation Safety and Investment Plan Account Fund from the Transportation Agency for Monterey County was approved on November 8, 2016. The revenue from the sales tax measure is used to fund transportation safety and mobility projects in Monterey County. Expenditures are restricted to road improvements, pothole repairs, street and road maintenance, traffic deduction and regional safety, mobility and walkability.

The Transportation Safety and Investment Plan Fund financial statements and related accounting policies of the City conform with generally accepted accounting principles applicable to governments in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The financial statements present only the Transportation Safety and Investment Plan Account Fund and do not purport to, and do not present, the City's financial position and changes in financial position. The City of Greenfield's basic financial statements are available from the Finance Department at City's address and website.

NOTE 2 – CASH DEPOSITS

The City follows the practice of pooling cash and investments for all funds (including the Transportation Safety and Investment Plan Account Fund) under its direct daily control. Interest earned on pooled cash and investments is allocated periodically to the various funds based on average cash balances. Detailed disclosure regarding the City's investments of cash is included in the notes to the City's basic financial statements.

NOTE 3 – MAINTENANCE OF EFFORT

The Measure X Master Programs Funding Agreement between the City of Greenfield and the Transportation Agency for Monterey County, as amended, requires that the City must expend each fiscal year from its General Fund for street and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 2009-10, 2010-11, and 2011-12 fiscal years, but not less than what was expended in 2016-17 (when Measure X passed), as reported to the Controller pursuant to Streets and Highways Code section 2151 ("Maintenance of Effort"). This baseline amount will be indexed annually to the Engineering News Record construction index.

Required Maintenance of Effort: \$ 0

Total expenditures from the General Fund for street and highway purposes for the fiscal year ended June 30, 2020 was \$0. The City was in compliance with the Maintenance of Effort requirement of the Measure X Master Programs Funding Agreement between the City of Greenfield and the Transportation Agency for Monterey County.

SUPPLEMENTAL INFORMARION

CITY OF GREENFIELD
TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
JUNE 30, 2020

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
REVENUES			
Transportation Safety and Investment Plan Account revenue	\$ -	\$ 506,991	\$ 506,991
Use of money and property		<u>6,813</u>	<u>6,813</u>
Total revenues		<u>513,804</u>	<u>513,804</u>
EXPENDITURES			
Administration		<u>17,236</u>	<u>(17,236)</u>
Total Expenditures		<u>17,236</u>	<u>(17,236)</u>
Excess (deficiency) of revenues over expenditures		496,568	496,568
Fund balance, beginning of fiscal year			
Fund balance, end of fiscal year	<u>\$ -</u>	<u>\$ 496,568</u>	<u>\$ 496,568</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE WITH TAMC ORDINANCE NO. 2016-01 TRANSPORTATION SAFETY AND
INVESTMENT PLAN FUND AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

City Council
City of Greenfield
Greenfield, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Greenfield Transportation Safety and Investment Plan Account Fund (the City's Measure X Fund), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Greenfield Transportation Safety and Investment Plan Account Fund's financial statements, and have issued our report thereon dated December XX, 2020.

We have also audited the City's compliance with the types of compliance requirements described in the Transportation Agency's for Monterey County's (TAMC) Ordinance No. 2016-01 and the Measure X Master Programs Funding Agreement (the Agreement) between TAMC and the City, applicable for the fiscal year ended June 30, 2020.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Transportation Safety and Investment Plan Account Fund.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit in accordance with the compliance requirements described in the Transportation Agency for Monterey County's (TAMC) Ordinance No. 2016-01 and in the Measure X Master Programs Funding Agreement (the Agreement) between TAMC and the City of Greenfield. The Measure X Master Programs Funding Agreement requires that the independent auditor shall perform at least the following tasks: (1) determine whether the recipient expended all Measure X funds received in compliance with Measure X, the Measure X Investment Plan, and the Policies & Project Descriptions, as they may be adopted or amended by TAMC from time to time, and the Agreement, (2) determine whether the Measure X revenues received and expended were accounted for and tracked in its own separate budget and fund titled "Transportation Safety & Investment Plan Account" and were not commingled with any other funds and that the accounting system provides adequate internal controls and audit trails to facilitate an annual compliance audit for each fund type and the respective usage and application of said funds, and (3) determine whether the City met the Maintenance of Effort requirements imposed by Measure X and State law. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect to the City occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Compliance with the Transportation Safety and Investment Plan Account Fund

In our opinion, the funds allocated to and received by the City of Greenfield Transportation Safety and Investment Plan Account Fund, complied, in all material respects, with the compliance requirements referred to above that are applicable in accordance to the compliance requirements described in the Transportation Agency for Monterey County's (TAMC) Ordinance No. 2016-01 and in the Measure X Master Programs Funding Agreement between TAMC and the City of Greenfield for the fiscal year ended June 30, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's Measure X Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's Measure X Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's Measure X Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of that report is solely to report our opinion on compliance and to describe the scope of our testing of internal control over financial reporting and the results of that testing, and not to provide an opinion on the effectiveness of the City of Greenfield Measure X Fund's internal control over financial reporting. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. This report is intended solely for the information and use of City Council, management of the Transportation Agency for Monterey County and for filing with the appropriate regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Remy & Halgreen LLP

December 30, 2020
Santa Maria, California

ANNUAL PROGRAM COMPLIANCE REPORT

The City of Greenfield dedicates all Measure X Funds toward efforts to comply with the policies of Measure X over the reporting period. This past FY 2019-20, the City chose to accrue funds for anticipated projects in the 5-Year Capital Program of projects defined in the CITY of GREENFIELD MEASURE X FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2020/21 – 2024/25 (See tables below). This represents an adjustment to the timing/scheduling of the projects presented in last year's report.

The City's Share of the TAMC Consultant Services for the Regional Pavement Maintenance Program was paid using Measure X funds from this FY funding. The total Paid by the City for these services this FY is \$17,236. A balance sheet is included below.

CITY OF GREENFIELD - FY YEAR 2019-20 BALANCE SHEET

REVENUES	
Carryover from Previous Year	
Measure X Revenues	506,991
Earning on Interest	6,813
TOTAL REVENUES:	513,804
EXPENDITURES	
TAMC CONSULTANT SERVICES	17,236
TOTAL EXPENDITURES:	17,236
FUND BALANCE, END OF PERIOD:	496,568

ATTACHMENTS

- **ATTACHMENT 1: Five-Year Capital Improvement Program**
- **ATTACHMENT 2: Pavement Management Program Report**
- **ATTACHMENT 3: Maintenance of Effort Report**

ATTACHMENT 1

FIVE YEAR CAPITAL IMPROVEMENT PROGRAM

CITY of GREENFIELD
MEASURE X FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
FOR FISCAL YEARS 2020/21 – 2024/25

YEAR 1 FY 2020-2021

Project	Description & Phase	Total Cost	Measure X	PCI
Sidewalk Repairs/ADA Ramp Improvements	Design and Construction	\$525,000	\$300,000	N/A
Totals:				

YEAR 2 FY 2021-2022

Project	Description & Phase	Total Cost	Measure X	PCI
Pavement Repairs and rejuvenation of Various Streets	Design and Construction	\$350,000	\$175,000	42
Totals:				

YEAR 3 FY 2022-2023

Project	Description & Phase	Total Cost	Measure X	PCI
Pavement Repairs and rejuvenation of Various Streets	Construction	\$350,000	\$175,000	42
Totals:				

YEAR 4 FY 2023-2024

Project	Description & Phase	Total Cost	Measure X	PCI
Resurface/Overlay Repairs Various Arterials/Intersections	Design & Construction	\$750,000	\$375,000	30
Totals:				

YEAR 5 FY 2024-2025

Project	Description & Phase	Total Cost	Measure X	PCI
Resurface/Overlay Repairs Various Arterials/Intersections	Construction	\$750,000	\$375,000	30
Totals:				

ATTACHMENT 2

PAVEMENT MANAGEMENT PROGRAM REPORT

PAVEMENT MANAGEMENT PROGRAM REQUIREMENTS

The approved ordinance for the Transportation Safety & Investment Plan (Measure X) outlines the requirements for the use of local road maintenance, pothole repair and safety funds. It includes a requirement for each jurisdiction to have a pavement management program. "Each city and the County of Monterey shall develop, or participate in the development of by TAMC, a pavement management program. They shall submit regular reports on the conditions of their streets, to ensure timely repairs and keep the public informed. Development of the pavement management program by TAMC is eligible to be funded out of this program prior to distribution of funds to the cities and the County."

SYSTEM REQUIREMENTS: The City of Greenfield Participates in the Regional Pavement Management System managed by TAMC, which utilizes "StreetSaver" Pavement Management Program developed by Metropolitan Transportation Commission (MTC).

TAMC assisted the City of Greenfield with the development of an overall pavement management implementation plan. TAMC completes the following updates:

- Review and update the pavement information for all roads every two years.
- Pavement conditions must be re-inspected every three years for arterials and collectors.
- Pavement conditions must be re-inspected every six years for residential streets and local/rural roads, unless otherwise approved by TAMC. Pavement condition surveys may be done by either automated or manual inspections, and may be done either individually or in conjunction with another agency. A percentage of the network can be scheduled each year so that the entire network is updated on a regular cycle.

REPORT REQUIREMENTS: All jurisdictions shall submit an annual Pavement Management Program Report Letter to TAMC no later than December 31 of each year the Measure X tax is in effect using the approved report letter format. It shall include all the highlighted information and shall be on local agency letterhead (see Our Cover Letter).

Greenfield also participates in the biennial pavement needs survey conducted for the California Statewide Local Streets and Roads Needs Assessment and provide the requested roadway data for their jurisdiction.

ATTACHMENT 3

MAINTENANCE OF EFFORT REPORT

On July 16, 2019, the Measure X Citizens Oversight Committee recommended that the Maintenance of Effort definition be revised to “an amount not less than the annual average of its expenditures from its general fund during the preceding three fiscal years 2009-10, 2010-11, and 2011-12 fiscal years, but not less than what was expended in 2016-17 (when Measure X passed), as reported to the Controller pursuant to Streets and Highways Code section 2151. This baseline amount will be indexed annually to the Engineering News Record construction index.”

On October 23, 2019, the TAMC Board of Directors, with support from the Measure X Citizens Oversight Committee and Jurisdiction, duly approved Ordinance 2019-01, which amended the Measure X implementing ordinance (Ordinance 2016-01) to revise the definition for calculating the Maintenance of Effort, as described above; and

TAMC and Jurisdiction desire to amend the Agreement to make the Maintenance of Effort definition consistent with Ordinance 2019-01.

The revised calculation to be used in reporting in December of 2019 and going forward will be “not less than the annual average of its expenditures from its general fund during the 2009-10, 2010-11, and 2011-12 fiscal years, but not less than what was expended in 2016-17 (when Measure X passed), as reported to the Controller pursuant to Streets and Highways Code section 2151 (“Maintenance of Effort”).”

Maintenance of Effort Calculation

	Street Improvement expenditures from General Fund during the 2009-10 FY	0
	Street Improvement expenditures from General Fund during the 2010-11 FY	0
	Street Improvement expenditures from General Fund during the 2011-12 FY	0
A	Average of these Three Years	0
B	Street Improvement expenditures from General Fund during the 2016-17 FY	0

Maintenance of Effort= Greater of A or B in the table above: 0

I, the undersigned, certify that the above information is true and correct to the best of my knowledge.

Paul Wood

Paul Wood, City Manager